

STATE OF NORTH CAROLINA
COUNTY OF ALAMANCE
ELON UNIVERSITY,

Plaintiff,

vs.

TAYLOR P. BURNS,

Defendant.

FILED

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION

2018 DEC 17 P C/A #:

ALAMANCE CO., C.S.C.

BY

18. CVS-2423

COMPLAINT
(Suit on Note)
(Non-Jury)

1. Elon University ("Plaintiff") is an institution of higher education or other legal entity located in the State of North Carolina.
2. The Defendant Taylor P. Burns (the "Defendant") is a citizen and resident of Alamance County, North Carolina.
3. This Court has jurisdiction over this matter.
4. Plaintiff is the owner and holder of the Note described hereafter, which is the subject of this action.
5. Pursuant to Title 20 USC Section 1091a, this action involves a federal student loan and is not time barred.
6. On or about August 31, 2010 Defendant, for valuable consideration, executed and delivered a Federal Perkins Loan Master Promissory Note (the "Note") while a student of Elon University. Defendant acknowledged that multiple loans might be made to him under the Note.
7. Under the terms of the Note, the Defendant promised to pay to the Plaintiff all sums disbursed under the terms of the Note, plus interest and other fees which may become due as provided in the Note. Defendant also promised to pay all reasonable collection costs, including attorney fees, court costs and other fees in the event he failed to make payments when due under the terms of the Note.

8. A true and authentic copy of the Note is attached hereto and incorporated herein by reference as Exhibit A.

9. Based on the Note, on or about September 1, 2010 a loan was made to the Defendant in the total disbursement amount of One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars.

10. Based on the Note, on or about January 26, 2011 a loan was made to the Defendant in the total disbursement amount of One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars.

11. Based on the Note, on or about August 26, 2011 a loan was made to the Defendant in the total disbursement amount of One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars.

12. Based on the Note, on or about January 24, 2012 a loan was made to the Defendant in the total disbursement amount of One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars.

13. Based on the Note, on or about September 2, 2013 a loan was made to the Defendant in the total disbursement amount of One Thousand One Hundred Twenty-Five and 00/100 (\$1,125.00) Dollars.

14. Based on the Note, on or about January 28, 2014 a loan was made to the Defendant in the total disbursement amount of One Thousand One Hundred Twenty-Five and 00/100 (\$1,125.00) Dollars.

15. Based on the Note, on or about March 21, 2014 a loan was made to the Defendant in the total disbursement amount of Three Hundred Twenty-One and 00/100 (\$321.00) Dollars.

16. Based on the Note, on or about March 21, 2014 a loan was made to the Defendant in the total disbursement amount of Three Hundred Twenty and 00/100 (\$320.00) Dollars.

17. Based on the Note, on or about January 5, 2015 a loan was made to the Defendant in the total disbursement amount of One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars.

18. Based on the Note, on or about February 4, 2015 a loan was made to the Defendant in the total disbursement amount of One Thousand Five Hundred and 00/100 (\$1,500.00) Dollars.

19. According to the terms and conditions under the Note, the Defendant is now, and for some period of time has been, in default for failure to make payments when due.

20. On or about August 17, 2018, the Plaintiff sent the Defendant a written notice of right to cure under the terms of the Note.

21. The Defendant failed to cure the default on the Note, and the balance was thereafter accelerated by the Plaintiff.

22. The total sum now due on the Note as of April 16, 2018 is Eighteen Thousand Three Hundred Sixty-Five and 25/100 (\$18,365.25) Dollars, as set forth in the Federal Perkins Loan Account Statement, signed by the Plaintiff, and attached hereto and incorporated herein as Exhibit B, and in the notarized Federal Perkins Loan Collection Fees Calculation, signed by the Plaintiff, and attached hereto and incorporated herein as Exhibit C.

23. The Note is in default, the Defendant failing to make payments as provided thereunder, and the Plaintiff has elected to exercise its right under the Note and to declare the entire amount due thereunder now due and payable, which is Eighteen Thousand Three Hundred Sixty-Five and 25/100 (\$18,365.25) Dollars as of April 16, 2018, plus interest thereafter as provided in the Note, together with late charges, collection costs, and attorney's fees.

24. Should the Plaintiff incur any costs in connection with this action, it is informed and believes that the same should be included in any judgment amount found to be due to the Plaintiff in accordance with the terms of the Note.

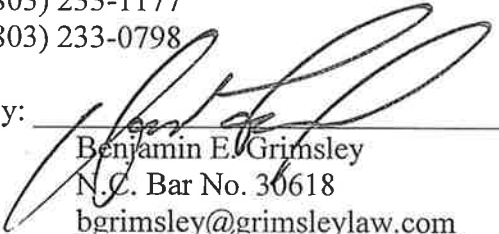
WHEREFORE, Plaintiff prays as follows:

1. For judgment against the Defendant Taylor P. Burns for the sum of Eighteen Thousand Three Hundred Sixty-Five and 25/100 (\$18,365.25) Dollars;

2. For interest from April 16, 2018, at the rate specified in said Note;
3. For all costs of collection, including reasonable attorneys' fees; and
4. For such other and further relief as the Court may deem just and proper.

GRIMSLEY LAW FIRM, LLC
P. O. Box 11682
Columbia, South Carolina 29211
(803) 233-1177
(803) 233-0798

By: _____


Benjamin E. Grimsley
N.C. Bar No. 30618
bgrimsley@grimsleylaw.com
Attorney for the Plaintiff

December 11, 2018

**NOTICE REQUIRED BY THE
FAIR DEBT COLLECTION PRACTICES ACT**

In accordance with the Fair Debt Collection Practices Act (15 U.S.C. 1692), we advise you as follows:

1. This is a lawsuit brought on behalf of Elon University in an attempt to collect from you a debt in the amount of \$18,365.25 as of April 16, 2018 plus fees and costs accruing thereafter.
2. Unless you dispute the validity of your debt or any portion of such debt to Elon University within thirty (30) days after receipt of this notice, we will assume that the debt is valid;
3. If you notify Plaintiff's law firm within thirty (30) days after you receive this notice that your debt to Elon University or any portion thereof is disputed, we will mail you a verification of the debt and, upon your written request within the thirty-day period, Plaintiff's law firm will provide you with the name and address of the original creditor, if different from the current creditor.
4. Written requests should be addressed to Grimsley Law Firm, LLC, Post Office Box 11682, Columbia, South Carolina 29211.
5. Please be advised that the time period within which you have to dispute the amount of your debt and request additional information in no way alters or affects the time period set forth in the Summons within which you must file an Answer to the Complaint.

**PLEASE BE ADVISED THAT THIS IS AN ATTEMPT TO
COLLECT A DEBT. ANY INFORMATION OBTAINED WILL
BE USED FOR THAT PURPOSE.**

EXHIBIT A

FEDERAL PERKINS LOAN MASTER PROMISSORY NOTE

OMB No. 1845-0074 Form Approved Expiration Date 08/31/2012

Section A: Borrower Section

1. Name (last, first, middle initial) and
Permanent Address (street, city, state, zip code)

Burns, Taylor, P
[REDACTED]

2. Social Security Number

3. Date of Birth (mm/dd/yyyy)

4. Home Area Code/Telephone Number

5. Driver's License Number (List state abbreviation first)

Section B: School Section

6. School Name & Address (street, city, state, zip code)

Elon University
PO Box 398
Elon, NC 27244

7. Annual Interest Rate

5%

[Any bracketed clause or paragraph may be included at option of institution]

Terms and Conditions: (Note: Additional Terms and Conditions follow on subsequent pages)

APPLICABLE LAW - The terms of this Federal Perkins Loan Master Promissory Note (hereinafter called the Note) and any disbursements made under this Note shall be interpreted in accordance with Part E of Title IV of the Higher Education Act of 1965, as amended (hereinafter called the Act), as well as Federal regulations issued under the Act. All sums advanced under this Note are subject to the Act and Federal regulations issued under the Act.

REPAYMENT - I am obligated to repay the principal and the interest that accrues on my loan(s) to the above-named institution (hereinafter called the School) over a period beginning 9 months (or sooner if I am a Less-Than-Half-Time Borrower) after the date I cease to be at least a half-time student at an institution of higher education or a comparable School outside the United States approved by the United States Department of Education (hereinafter called the Department) and ending 10 years later, unless I request in writing that my repayment period begin sooner. I understand that the School will report the amount of my installment payments, along with the amount of this loan to at least one national credit bureau. Interest on this loan shall accrue from the beginning of the repayment period. My repayment period may be shorter than 10 years if I am required by my School to make minimum monthly payments. My repayment period may be extended during periods of deferment, hardship, or forbearance and I may make graduated installments in accordance with a schedule approved by the Department. I will make my installment payments in equal monthly, bimonthly, or quarterly installments as determined by the School. The School may round my installment payment to the next highest multiple of \$5. [I will make a minimum monthly repayment of \$40 (or \$30 if I have outstanding Federal Perkins Loans made before October 1, 1992 that included the \$30 minimum payment option or outstanding National Direct Student Loans) in accordance with the Minimum Monthly Payment Section of the Terms and Conditions contained on the reverse side of this document.]

LATE CHARGES - The School may impose late charges if I do not make a scheduled payment when due or if I fail to submit to the School on or before the due date of the payment, a properly documented request for any of the forbearance, deferment, or cancellation benefits as described below. No late charges may exceed 20 percent of my monthly, bimonthly, or quarterly payment. The School may add the late charges to principal the day after the scheduled payment was due or include it with the next scheduled payment after I have received notice of the charge, and such notice is sent before the next installment is due.

FORBEARANCE, DEFERMENT, OR CANCELLATION - I may apply for a forbearance, deferment, or cancellation on my loan. During an approved forbearance period, payments of principal and interest, or principal only, may be postponed or reduced. Interest continues to accrue while my loan is in forbearance. During an approved deferment period, I am not required to make scheduled installment payments on my loan. I am not liable for any interest that might otherwise accrue while my loan is in deferment. If I meet the eligibility requirements for a cancellation of my loan, the institution may cancel up to 100 percent of the outstanding principal loan amount. Information on eligibility and application requirements for forbearances, deferments, and cancellations is provided on pages 2 through 4 of this Note. I am responsible for submitting the appropriate requests on time, and I may lose my benefits if I fail to file my request on time.

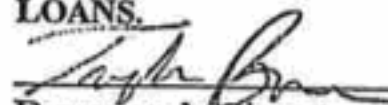
DEFAULT - The School may, at its option, declare my loan to be in default if (1) I fail to make a scheduled payment when due; (2) I fail to submit to the School, on or before the due date of a scheduled payment, documentation that I qualify for a forbearance, deferment, or cancellation; or (3) I fail to comply with the terms and conditions of this Note or written repayment agreement. The School may assign a defaulted loan to the Department for collection. I will be ineligible for any further federal student financial assistance authorized under the Act until I make arrangements that are satisfactory to the School or the Department to repay my loan. The School or the Department shall disclose to credit bureau organizations that I have defaulted and all other relevant loan information. I will lose my right to defer payments and my right to forbearance if I default on my loan. The School or the Department may accelerate my defaulted loan. Acceleration means that the School or the Department demands immediate payment of the entire unpaid balance of the loan, including principal, interest, late charges, and collection costs. I will lose my right to receive cancellation benefits for service that is performed after the date the School or the Department accelerated the loan.

CHANGE OF STATUS - I will inform the School of any change in my name, address, telephone number, Social Security Number, or driver's license number.

AUTHORIZATION - I authorize the School, the Department, and their respective agents and contractors to contact me regarding my loan request or my loan(s), including repayment of my loan(s), at the current or any future number that I provide for my cellular phone or other wireless device using automated telephone dialing equipment or artificial or pre-recorded voice or text messages.

PROMISE TO PAY - I promise to pay the School, or a subsequent holder of the Note, all sums disbursed under the terms of this Note, plus interest and other fees which may become due as provided in this Note. I understand that multiple loans may be made to me under this Note. I understand that by accepting any disbursements issued at any time under this Note, I agree to repay the loans. I understand that each loan is separately enforceable based on a true and exact copy of this Note. I understand that I may cancel or reduce the amount of any loan by not accepting or by returning all or a portion of any disbursement that is issued. If I do not make any payment on any loan under this Note when it is due, I promise to pay all reasonable collection costs, including attorney fees, court costs, and other fees. I will not sign this Note before reading the entire Note, even if I am told that I am not required to read it. I am entitled to an exact copy of this Note. This loan has been made to me without security or endorsement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MASTER PROMISSORY NOTE AND THAT I MUST REPAY SUCH LOANS.


Borrower's Signature

Date 8/13/10

Terms and Conditions (cont.)

DISCLOSURE OF LOAN TERMS - I understand that under this Note, the principal amount that I owe, and am required to repay, will be the sum of all disbursements issued unless I reduce or cancel any disbursements. The School will determine whether to make any loan under this Note after my loan eligibility is determined. At or before the time of first disbursement for each loan, a disclosure statement will be provided to me identifying the amount of the loan and any additional terms of the loan. I may decline a loan or request a lower amount by contacting the School. Any disclosure statement I receive in connection with any loan under this Note is hereby incorporated into this Note.

LOAN REHABILITATION - If I default on my Federal Perkins Loan, and that loan has not been reduced to a judgment as a result of litigation against me, I may rehabilitate my defaulted loan by requesting the rehabilitation and by making a voluntary, on-time, monthly payment, as determined by the School, each month for nine consecutive months. If I successfully rehabilitate my defaulted Federal Perkins Loan, I will again be subject to the terms and conditions and qualify for any remaining benefits and privileges of this Note and the default will be removed from my credit history. I understand that I may rehabilitate a defaulted Federal Perkins Loan only once. After my loan is rehabilitated, collection costs on the loan may not exceed 24 percent of the unpaid principal and accrued interest as of the date following the application of the ninth consecutive payment. If I default on my rehabilitated loan, the cap on collection costs is removed.

ASSIGNMENT - A loan made under this Note may be assigned by the School only to the United States, as represented by the United States Department of Education. Upon assignment, the provisions of this Note that relate to the School will, where appropriate, relate to the Department.

HARDSHIP REPAYMENT OPTIONS - Upon my written request, the School may extend my repayment period (1) for up to an additional 10 years if I qualify as a low-income individual during the repayment period; or (2) for the period necessary beyond my 10 year repayment period if, in the School's opinion, prolonged illness or unemployment prevent me from making the scheduled repayments. Interest will continue to accrue during any extension of a repayment period.

If I am required by the School to make a minimum monthly payment on my loan, the School may also permit me to pay less than the minimum monthly payment amount for a period of not more than one year at a time if I experience a period of prolonged illness or unemployment. However, such action may not extend the repayment period beyond 10 years.

GRACE PERIODS - Unless I am a Less-Than-Half-Time Borrower, I will receive an initial nine-month grace period before the first payment of my Federal Perkins Loan must be made. After the close of an authorized deferment period, I will receive a post-deferment grace period of 6 months before my payments resume. Interest does not accrue during the initial grace period or during the post-deferment grace period. The nine-month initial grace period for Federal Perkins Loans does not include any period up to three years during which I am called or ordered to active duty for more than 30 days from a reserve component of the Armed Forces of the United States, including the period necessary for me to resume enrollment at the next available enrollment period. I must notify the school that made my loan of the beginning and ending dates of my service, and the date I resume enrollment. If I am in my initial grace period when called or ordered to active duty, I am entitled to a new nine-month initial grace period upon completion of the excluded period.

If I am a Less-Than-Half-Time Borrower with outstanding Federal Perkins Loans, my repayment period begins when the next scheduled installment of my outstanding loan is due. If I am a Less-Than-Half-Time Borrower with no other outstanding Federal Perkins Loans, my repayment begins the earlier of: 9 months from the date my loan was made, or 9 months from the date I became a less-than-half-time student, even if I received the loan after I became a less-than-half-time student.

PREPAYMENT - I may prepay all or any part of my unpaid loan balance, plus any accrued interest, at any time without penalty. Amounts I repay in the academic year in which the loan was made and before the initial grace period has ended will be used to reduce the amount of the loan and will not be considered a prepayment. If I repay amounts during the academic year in which the loan was made and the initial grace period has ended, only those amounts in excess of the amount due for any repayment period shall

be considered a prepayment. If, in an academic year other than the academic year in which the loan was made, I repay more than the amount due for an installment, the excess funds will be used to repay principal unless I designate it as an advance payment of the next regular installment.

MINIMUM MONTHLY PAYMENT - If required by the School, I will make a minimum monthly payment in the amount of \$40 (or \$30 if I have outstanding Federal Perkins Loans made before October 1, 1992 that included the \$30 minimum payment option or outstanding National Direct Student Loans) or its bimonthly or quarterly equivalent. If the total monthly payment amount on this loan and any outstanding Federal Perkins Loans I may have is less than the minimum monthly payment amount established by the School, the School may still require a minimum monthly payment amount. A minimum monthly payment amount will combine my obligation on this and all my outstanding Federal Perkins Loans, unless I have received loans with different grace periods and deferments. At my request and if I am eligible, the school may combine this minimum monthly payment amount with all my outstanding Federal Perkins Loans including those made at other schools. Under these circumstances the portions of the minimum monthly payment that will be applied to this loan will be the difference between the minimum monthly payment amount and the total amounts owed on a monthly basis on my other Federal Perkins Loans. If each school holding my outstanding Federal Perkins Loans exercises the minimum monthly payment amount option, the minimum monthly payment amount will be divided among the Schools in proportion to the loan amount advanced by each school if I request this treatment from each School.

FORBEARANCE - Upon making a properly documented written or oral request to the School, I am entitled to forbearance of principal and interest or principal only, renewable at intervals of up to 12 months for periods that collectively do not exceed three years, under the following conditions: If my monthly Title IV loan debt burden equals or exceeds 20 percent of my total monthly gross income; if the Department authorizes a period of forbearance due to a national military mobilization or other national emergency; or if the School determines that I qualify due to poor health or for other reasons, including service in AmeriCorps. Interest accrues during any period of forbearance.

DEFERMENTS - To apply for a deferment, I must request the deferment from the school. My request does not have to be in writing, but the School may require that I submit supporting documentation to prove my eligibility for a deferment. I may defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue (1) during any period that I am enrolled and attending as a regular student in at least a half-time course of study at an eligible School (if the School obtains student enrollment information showing that I qualify for this deferment, the School may grant the deferment without my request providing the School notifies me and gives me the option to cancel the deferment); (2) during any period that I am enrolled and attending as a regular student in a graduate fellowship program approved by the Department; engaged in graduate or post-graduate fellowship-supported study outside the US; enrolled and attending a rehabilitation training program for disabled individuals approved by the Department; or engaged in public service that qualifies me to have part or all of my loan canceled; (3) for a period not to exceed three years during which I am seeking but unable to find full-time employment; (4) for a period not to exceed three years, for up to one year at a time, during which I am experiencing an economic hardship as determined by the School. I may qualify for an economic hardship deferment for my Federal Perkins Loan if I provide my school with documentation showing that I have been granted such a deferment under the William D. Ford Federal Direct Loan or Federal Family Education Loan program for the period of time for which I am requesting an economic hardship deferment for my Federal Perkins Loan. If I am serving as a volunteer in the Peace Corps, I am eligible for an economic hardship deferment for my full term of service. An economic hardship deferment based on service as a Peace Corps volunteer may not exceed the lesser of three years or my remaining period of economic hardship eligibility; (5) , during any period when I am serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency (as these terms are defined in 34 CFR 674.34(h) of the Perkins Loan Program regulations) and, if my active duty service includes October 1, 2007 or begins on or after that date, for an additional 180-day period following the demobilization date for my service; and (6) if I am serving on active duty military service on October 1, 2007, or begin serving on or after that date, for at least a 30-day period, for up to 13 months following the conclusion of my active duty military

Terms and Conditions (cont.)

service and initial grace period or until I return to enrolled student status, whichever is earlier, if I am a member of the National Guard or other reserve component of the Armed Forces of the United States or a member of such forces in retired status (as these terms are defined in 34 CFR 674.34(i)(2)) and I was enrolled in a program of instruction at the time I was called to active duty, or within six months prior to the time I was called to active duty. Active duty does not include active duty for training or attendance at a service school or employment in a full-time, permanent position in the National Guard unless I am reassigned from that position to another form of active duty service.

I may continue to defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue for a six-month period immediately following the expiration of any deferment period described in this section.

I am not eligible for a deferment while serving in a medical internship or residency program.

CANCELLATIONS - Upon making a properly documented written request to the School, I am entitled to have up to 100 percent of the original principal loan amount of this loan canceled if I perform qualifying service in the areas listed in paragraphs A through K below. Other cancellation percentages apply if I perform qualifying service in the areas listed in paragraphs L and M, as explained in those paragraphs. Qualifying service must be performed after the enrollment period covered by the loan.

A. Teaching • a full-time teacher in a public or other nonprofit elementary or secondary school or in a school or location operated by an educational service agency that has been designated by the Department in accordance with the provisions of section 465(a)(2) of the Act as a school with a high concentration of students from low-income families. An official Directory of designated low-income schools and locations operated by educational service agencies is published annually by the Department. • a full-time special education teacher in a public or nonprofit elementary or secondary school system, including a system administered by an educational service agency; or • a full-time teacher, in a public or other nonprofit elementary or secondary school system who teaches mathematics, science, foreign languages, bilingual education, or any other field of expertise that is determined by the State Department of Education to have a shortage of qualified teachers in that State.

B. Early Intervention Services • a full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by a lead agency as authorized by section 632(5) of the Individuals with Disabilities Education Act. Early intervention services are provided to infants and toddlers with disabilities.

C. Law Enforcement or Corrections Officer • a full-time law enforcement officer for an eligible local, State, or Federal law enforcement agency; or • a full-time corrections officer for an eligible local, State, or Federal corrections agency.

D. Nurse or Medical Technician • a full-time nurse providing health care services; or • a full-time medical technician providing health care services.

E. Child or Family Service Agency • a full-time employee of an eligible public or private non-profit child or family service agency who is directly providing or supervising the provision of services to high-risk children who are from low-income communities and the families of such children.

F. Attorneys Employed in a Defender Organization • a full-time attorney employed in a defender organization established in accordance with section 3006(g)(2) of title 18, U.S.C.

G. Firefighters • a full-time firefighter for a local, State or Federal fire department or fire district.

H. Tribal College or University Faculty • a full-time faculty member at a Tribal College or University, as that term is defined in section 316 of title 20, U.S.C.

I. Librarian • a full-time librarian who has a master's degree in library science and is employed in an elementary or secondary school that is eligible for assistance under part A of title I of the Elementary and

Secondary Education Act of 1965, or who is employed in a public library that serves a geographic area that contains one or more such schools.

J. Speech-Language Pathologist • a full-time speech-language pathologist who has a master's degree and who is working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965.

K. Service in an Early Childhood Education Program • a full-time staff member in the educational component of a Head Start program, or a full-time staff member in a pre-kindergarten or child care program that is licensed or regulated by the State. The program must be operated for a period comparable to a full School year and must pay a salary comparable to an employee of a local educational agency.

Cancellation Rates - For each completed year of service under paragraphs A, B, C, D, E, F, G, H, I, and J a portion of this loan will be canceled at the following rates:

• 15 percent of the original principal loan amount for each of the first and second years; • 20 percent of the original principal loan amount for each of the third and fourth years; and • 30 percent of the original principal loan amount for the fifth year.

For each completed year of service under paragraph K (Service in an Early Childhood Education Program), a portion of this loan will be canceled at the rate of 15 percent of the original principal loan amount.

L. Military Cancellation - Upon making a properly documented written request to the School, I am entitled to have up to 50 percent of the principal amount of this loan canceled for qualifying service that ended before August 14, 2008, and up to 100 percent cancelled for qualifying service that began on or after August 14, 2008, as: • a member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the United States Code.

Cancellation Rate - For each completed year of service under the Military Cancellation provision that ended before August 14, 2008, this loan will be canceled at the rate of 12½ percent of the original principal loan amount.

For qualifying service that began on or after August 14, 2008, this loan will be canceled at the following rates: • 15 percent of the original principal loan amount for each of the first and second years; • 20 percent of the original principal loan amount for each of the third and fourth years; and • 30 percent of the original principal loan amount for the fifth year.

M. Volunteer Service Cancellation - Upon making a properly documented written request to the School, I am entitled to have up to 70 percent of the original principal loan amount of this loan canceled for qualifying service performed after the enrollment period covered by the loan as: • a volunteer under the Peace Corps Act; • a volunteer under the Domestic Volunteer Service Act of 1973 (ACTION programs).

Cancellation Rate - For each completed year of service under the Volunteer Service Cancellation provision, a portion of this loan will be canceled at the following rates:

• 15 percent of the original principal loan amount for each of the first and second 12-month periods of service; and • 20 percent of the original principal loan amount for each of the third and fourth 12-month periods of service.

DISCHARGES - My obligation to repay this loan may be partially or totally discharged for the reasons specified in paragraphs A, B, C, and D below.

A. Death - In the event of my death, the School will discharge the total amount owed on this loan.

B. Total and Permanent Disability - Upon making a properly documented written request to the School, the total amount owed on this loan may be discharged if the U.S. Department of Education determines that I am totally and permanently disabled as defined in the Act and I meet certain other requirements.

Terms and Conditions (cont.)

C. School Closure - Under certain conditions, my total liability will be discharged, including refunding any amounts I have already paid on the loan, if I was unable to complete the program in which I was enrolled because my School closed.

D. Bankruptcy - Under certain conditions, my loan may be discharged in bankruptcy. In order to discharge a loan in bankruptcy, I must prove undue hardship in an adversary proceeding before the bankruptcy court.

Disclosure of Information

STUDENT LOAN OMBUDSMAN - If I dispute the terms of my Federal Perkins Loan in writing to my School, and my School and I are unable to resolve the dispute, I may seek the assistance of the Department of Education's Student Loan Ombudsman. The Student Loan Ombudsman will review and attempt to informally resolve the dispute.

Notice About Subsequent Loans Made Under This Master Promissory Note

This Note authorizes the School to disburse multiple loans during the multi-year term of this Note upon my request and upon the School's determination of my loan eligibility.

Subsequent loans may be made under this Note for the same or subsequent periods of enrollment at this School. The School, however, may, at its discretion, close this Note at any time and require me to sign a new Note for additional disbursements. I understand that if my School chooses to make subsequent loans under this Note, no such loans will be made after the earliest of the following dates: (i) the date the School receives my written notice that no further loans may be disbursed under this Note; (ii) twelve months after the date of my signature on this Note if no disbursement is made during such twelve-month period; or (iii) ten years after the date of my signature on this Note, or the date the School receives this Note.

Any amendment to the Act governs the terms of any loans disbursed on or after the effective date of such amendment, and such amended terms are hereby incorporated into this Note.

Important Notices

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authority for collecting the requested information from and about you is §461 *et seq.* of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1087aa *et seq.*) and the authorities for collecting and using your Social Security Number (SSN) are §484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the Federal Perkins Loan (Perkins) Program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Perkins Program, to permit the servicing of your loan(s), and, if it becomes necessary, to locate you and to collect and report on your loan(s) if your loan(s) become delinquent or in default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case by case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loan(s), to enforce the terms of the loan(s), to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions. To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions efficiently to submit student enrollment status, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

Financial Privacy Act Notice

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), the U.S. Department of Education will have access to financial records in your student loan file maintained by the lender in compliance with the administration of the Federal Perkins Loan Program.

Paperwork Reduction Notice

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0074. The time required to complete this information is estimated to average 0.5 hours (30 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:

U.S. Department of Education
Washington, DC 20202-4537

If you have any comments or concerns regarding the status of your individual submission of this form, write directly to the lender.

EXHIBIT B

**FEDERAL PERKINS LOAN
ACCOUNT STATEMENT**

DATE	April 16, 2018
INSTITUTION	ELON UNIVERSITY
STUDENT'S NAME	BURNS, TAYLOR P
AKA	
ACCOUNT NUMBER	98 01
DATE OF PROMISSORY NOTE	08/31/10
DATE OF FIRST DISTRIBUTION	
DATE LAST ATTENDED	
DATE OF LAST PAYMENT	none
INTEREST START DATE	04/01/16
INTEREST RATE	5.00%
INTEREST & COLLECTION FEES CONTINUING TO ACCRUE FROM	04/16/18

	ORIGINAL PRINCIPAL	\$	11,891.00
	INTEREST TO DATE	\$	1,212.32
PER TITLE 34 CFR 674	COLLECTIONS FEES TO DATE	\$	5,246.93
	PENALTY FEES / LATE FEES / OTHER FEES	\$	15.00
	TOTAL	\$	18,365.25

PAYMENTS

APPLIED TO PRINCIPAL	\$	-
APPLIED TO INTEREST	\$	-
APPLIED TO COLLECTIONS FEES	\$	-
APPLIED TO PENALTY FEES / LATE FEES / OTHER FEES	\$	-
PAYMENTS TOTAL	\$	-

BALANCE AFTER ANY PAYMENTS	\$	18,365.25
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UNPAID PRINCIPAL AT THIS DATE	\$	11,891.00
UNPAID INTEREST AT THIS DATE	\$	1,212.32
PLUS		
ASSESSED COLLECTION FEES TO BORROWER	39.9970% \$	5,246.93
PENALTY FEES / LATE FEES / OTHER FEES	\$	15.00

TOTAL DUE	\$	18,365.25
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STATE OF N.C.
COUNTY OF Alamance

I AFFIRM THAT AS OF THIS DATE THE ABOVE BALANCE IS TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE

Patricia Douglas
SIGNATURE OF SCHOOL OFFICIAL

6-27-2018
DATE

SWORN TO AND SUBSCRIBED BEFORE ME THIS 27th DAY OF
June, 2018

Andrea B. Priede
NOTARY PUBLIC(SIGNATURE)

Andrea B. Priede
NAME

MY COMMISSION EXPIRES 12-1-2021

EXHIBIT C

FEDERAL PERKINS LOAN COLLECTION FEES CALCULATION

Formula to calculate Fees (BPCC) per 34 CFR Subtitle A § 30.60

Balance x 1/(1 - Commission Rate) = Balance + Collection Fees

Figures as of this date. Interest & Fees still accumulate.

Principal	\$	11,891.00	April 16, 2018
Interest	\$	1,212.32	ELON UNIVERSITY
Penalty Fees / Late Fees	\$	15.00	BURNS, TAYLOR P
/ Other Fees			98 01
Balance	\$	13,118.32	Note-BPCC Capped at 40% Max Per 34CFR674
Commission Rate (CR)		28.57%	40.00%
			Rate used
Collections Fees (CC)	\$	5,246.93	1.4000
			Calculated
Total	\$	18,365.25	
			Estimated Commission due to be paid out: \$5,246.95
			Borrower Paid Collection Fees (BPCC): \$5,246.93
			Potential shortage on commission \$0.02

34 CFR Subtitle A § 30.60

Subpart E—What Costs and Penalties
Does the Secretary Impose
on Delinquent Debtors?

SOURCE: 53 FR 33425, Aug. 30, 1988, unless
otherwise noted.

§ 30.60 What costs does the Secretary
impose on delinquent debtors?

(a) The Secretary may charge a debtor
for the costs associated with the collection
of a particular debt. These

costs include, but are not limited to—

(1) Salaries of employees performing
Federal loan servicing and debt collection

activities;

(2) Telephone and mailing costs;

(3) Costs for reporting debts to credit
bureaus;

(4) Costs for purchase of credit bureau
reports;

(5) Costs associated with computer
operations and other costs associated
with the maintenance of records;

(6) Bank charges;

(7) Collection agency costs;

(8) Court costs and attorney fees; and

(9) Costs charged by other Governmental
agencies.

(b) NOTWITHSTANDING ANY PROVISION OF
STATE LAW, if the Secretary uses a collection

agency to collect a debt on a
contingent fee basis, the Secretary
charges the debtor, and collects
through the agency, an amount sufficient
to recover—

(1) The entire amount of the debt;
and

(2) The amount that the Secretary is
required to pay the agency for its collection
services.

(c)(1) The amount recovered under
paragraph (b) of this section is the entire
amount of the debt, multiplied by
the following fraction:

$\frac{1}{1-(CR)}$

(2) In paragraph (c)(1) of this section,
CR equals the commission rate the Department
pays to the collection agency.

STATE OF P.C.

COUNTY OF Hamance

I AFFIRM THAT AS OF THIS DATE THE ABOVE BALANCE IS TRUE AND CORRECT
TO THE BEST OF MY KNOWLEDGE

Palma Douglas
SIGNATURE OF SCHOOL OFFICIAL

6-27-2018
DATE

SWORN TO AND SUBSCRIBED BEFORE ME THIS 27th DAY OF

June, 2018

Andrea B. Priede
NOTARY PUBLIC(SIGNATURE)

Andrea B. Priede
NAME

MY COMMISSION EXPIRES 12-1-2021

STATE OF NORTH CAROLINA

ALAMANCE County

File No.

18CVS 2423

In The General Court Of Justice

☐ District ☒ Superior Court Division

Name And Address Of Plaintiff 1
ELON UNIVERSITY

2018 DEC 17 P 4:28

ALAMANCE CO., C. 2018


GENERAL

CIVIL ACTION COVER SHEET

☒ INITIAL FILING ☐ SUBSEQUENT FILING

Rule 5(b), General Rules of Practice For Superior and District Courts

Name And Address Of Plaintiff 2

BY 

Name And Address Of Attorney Or Party, If Not Represented (complete for initial appearance or change of address)

BENJAMIN E. GRIMSLEY, ESQ.

GRIMSLEY LAW FIRM, LLC

POST OFFICE BOX 11682

COLUMBIA

SC 29211

Telephone No.

803-233-1177

Cellular Telephone No.

NC Attorney Bar No.

30618

Attorney E-Mail Address

BGRIMSLEY@GRIMSLEYLAW.COM

VERSUS

Name Of Defendant 1
TAYLOR P. BURNS

Summons Submitted ☒ Yes ☐ No

☒ Initial Appearance in Case

☐ Change of Address

Name Of Defendant 2

Name Of Firm

GRIMSLEY LAW FIRM, LLC

FAX No.

803-233-0798

Counsel for

☒ All Plaintiffs ☐ All Defendants ☐ Only (list party(ies) represented)

Summons Submitted ☐ Yes ☐ No

☐ Jury Demanded In Pleading

☐ Complex Litigation

☐ Amount in controversy does not exceed \$15,000

☐ Stipulate to arbitration

TYPE OF PLEADING

(check all that apply)

- ☐ Amend (AMND)
- ☐ Amended Answer/Reply (AMND-Response)
- ☐ Amended Complaint (AMND)
- ☐ Assess Costs (COST)
- ☐ Answer/Reply (ANSW-Response) (see Note)
- ☐ Change Venue (CHVN)
- ☒ Complaint (COMP)
- ☐ Confession Of Judgment (CNJF)
- ☐ Consent Order (CONS)
- ☐ Consolidate (CNSL)
- ☐ Contempt (CNTP)
- ☐ Continue (CNTN)
- ☐ Compel (CMPL)
- ☐ Counterclaim (CTCL) Assess Court Costs
- ☐ Crossclaim (list on back) (CRSS) Assess Court Costs
- ☐ Dismiss (DISM) Assess Court Costs
- ☐ Exempt/Waive Mediation (EXMD)
- ☐ Extend Statute Of Limitations, Rule 9 (ESOL)
- ☐ Extend Time For Complaint (EXCO)
- ☐ Failure To Join Necessary Party (FJNP)

(check all that apply)

- ☐ Failure To State A Claim (FASC)
- ☐ Implementation Of Wage Withholding In Non-IV-D Cases (OTHR)
- ☐ Improper Venue/Division (IMVN)
- ☐ Including Attorney's Fees (ATTY)
- ☐ Intervene (INTR)
- ☐ Interplead (OTHR)
- ☐ Lack Of Jurisdiction (Person) (LJPN)
- ☐ Lack Of Jurisdiction (Subject Matter) (LJSM)
- ☐ Modification Of Child Support In IV-D Actions (MSUP)
- ☐ Notice Of Dismissal With Or Without Prejudice (VOLD)
- ☐ Petition To Sue As Indigent (OTHR)
- ☐ Rule 12 Motion In Lieu Of Answer (MDLA)
- ☐ Sanctions (SANC)
- ☐ Set Aside (OTHR)
- ☐ Show Cause (SHOW)
- ☐ Transfer (TRFR)
- ☐ Third Party Complaint (list Third Party Defendants on back) (TPCL)
- ☐ Vacate/Modify Judgment (VCMD)
- ☐ Withdraw As Counsel (WDCN)
- ☐ Other (specify and list each separately)

NOTE: All filings in civil actions shall include as the first page of the filing a cover sheet summarizing the critical elements of the filing in a format prescribed by the Administrative Office of the Courts, and the Clerk of Superior Court shall require a party to refile a filing which does not include the required cover sheet. For subsequent filings in civil actions, the filing party must either include a General Civil (AOC-CV-751), Motion (AOC-CV-752), or Court Action (AOC-CV-753) cover sheet.

CLAIMS FOR RELIEF

- | | | |
|--|---|---|
| <input type="checkbox"/> Administrative Appeal (ADMA) | <input type="checkbox"/> Limited Driving Privilege - Out-Of-State | <input type="checkbox"/> Product Liability (PROD) |
| <input type="checkbox"/> Appointment Of Receiver (APRC) | <input type="checkbox"/> Convictions (PLDP) | <input type="checkbox"/> Real Property (RLPR) |
| <input type="checkbox"/> Attachment/Garnishment (ATTC) | <input type="checkbox"/> Medical Malpractice (MDML) | <input type="checkbox"/> Specific Performance (SPPR) |
| <input type="checkbox"/> Claim And Delivery (CLMD) | <input type="checkbox"/> Minor Settlement (MSTL) | <input type="checkbox"/> Other (specify and list each separately) |
| <input type="checkbox"/> Collection On Account (ACCT) | <input checked="" type="checkbox"/> Money Owed (MNYO) | |
| <input type="checkbox"/> Condemnation (CNDM) | <input type="checkbox"/> Negligence - Motor Vehicle (MVNG) | |
| <input type="checkbox"/> Contract (CNTR) | <input type="checkbox"/> Negligence - Other (NEGO) | |
| <input type="checkbox"/> Discovery Scheduling Order (DSCH) | <input type="checkbox"/> Motor Vehicle Lien G.S. 44A (MVLN) | |
| <input type="checkbox"/> Injunction (INJU) | <input type="checkbox"/> Possession Of Personal Property (POPP) | |

Date

12/4/11

Signature Of Attorney/Party

FEES IN G.S. 7A-308 APPLY

Assert Right Of Access (ARAS)
Substitution Of Trustee (Judicial Foreclosure) (RSOT)
Supplemental Procedures (SUPR)

PRO HAC VICE FEES APPLY

Motion For Out-Of-State Attorney To Appear In NC Courts In A Civil Or Criminal Matter (Out-Of-State Attorney/Pro Hac Vice Fee)

No.	<input type="checkbox"/> Additional Plaintiff(s)	
No.	<input type="checkbox"/> Additional Defendant(s)	<input type="checkbox"/> Third Party Defendant(s)

Plaintiff(s) Against Whom Counterclaim Asserted

Defendant(s) Against Whom Crossclaim Asserted